

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on February 21, 2003 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Jim Keane, Vice Chairman (D)
Rep. Donald Steinbeisser, Vice Chairman (R)
Rep. Bob Bergren (D)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Ray Hawk (R)
Rep. Bob Lawson (R)
Rep. Rick Maedje (R)
Rep. Gary Matthews (D)
Rep. Scott Mendenhall (R)
Rep. Penny Morgan (R)
Rep. Allen Rome (R)
Rep. Sandy Weiss (D)
Rep. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Pamela Schindler, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp for these minutes appears at the end of the content it refers to.

Committee Business Summary:

Hearing & Date Posted: HB 631, HB 640, HB 646, HB 648,
2/14/2003

Executive Action: HB 606-Tabled, HB 634-Tabled, HB 638-Tabled, HB 631-Do Pass and also Placed on the Consent Calendar, HB 640-Do Pass, HB 648-Do Pass As Amended

HEARING ON HB 640

Sponsor: REP. DICK HAINES, HD 63, Missoula, Montana

Opening Statement by Sponsor:

REP. HAINES opened the hearing on HB 640 by describing it as the "donut bill." He further stated that this is an issue of where the landowners are in a situation of "taxation without representation." The landowners must pay fees for inspection for new homes being built, however they are not allowed to vote in the city as they are residents in the county.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 189}

Proponents' Testimony:

Bruce Simons, Citizen, spoke to the Committee about the concept discussed last session of eliminating the jurisdiction of the City over the County such as what the "donut" issue is all about.

He spoke to the Committee about the legal battles that ensued over this issue since last session.

{Tape: 1; Side: A; Approx. Time Counter: 189 - 265}

Bobby Rossignol, Citizen, spoke to the Committee about the problems her family have experienced in the building of their home in Lolo, Montana. She also testified to the Committee about the legal battles between them and the City of Missoula.

EXHIBIT (buh39a01)

EXHIBIT (buh39a02)

{Tape: 1; Side: A; Approx. Time Counter: 265 - 394}

Stephanie Oblander, Citizen, testified about "due process claims."

{Tape: 1; Side: A; Approx. Time Counter: 394 - 464}

Steve White, Rancher, informed the Committee that this is the sixth session that he, personally, has been embroiled in the bill.

Mr. White was in the process of constructing an out-building on his ranch when this legal battle initiated. The amount of money that he has spent is over \$10,000 in trying to get resolution on this matter.

EXHIBIT (buh39a03)

{Tape: 1; Side: A; Approx. Time Counter: 464 - 500}

{Tape: 1; Side: B; Approx. Time Counter: 0 - 40}

Roger Halvert, Montana Association of Realtors, spoke in support of this bill.

{Tape: 1; Side: B; Approx. Time Counter: 40 - 47}

REP. WANZENREID, HD 68, Missoula, Montana, stated to the Committee that the City of Missoula is a "donut city." He spoke about his constituents not knowing that they need to acquire building permits; therefore, they do not know if they would be arrested for not having a permit. "Fairness and equity is the issue," stated **REP. WANZENREID**.

{Tape: 1; Side: B; Approx. Time Counter: 47 - 77}

Gertrude Stevens, Citizen, spoke to the Committee about the problems she and her family have faced since trying to construct a home in the Missoula area.

{Tape: 1; Side: B; Approx. Time Counter: 77 - 139}

Opponents' Testimony:

Byron Roberts, Montana Building Industry Association, stated to the Committee that if this bill is made into statute, the bill would eliminate the enforcement of codes. There would be procedural disparity.

{Tape: 1; Side: B; Approx. Time Counter: 139 - 176}

Bruce Bender, Missoula Public Works, spoke to the Committee about the problems that there would be in construction if no codes were enforced in the "donut" areas.

EXHIBIT (buh39a04)

EXHIBIT (buh39a05)

{Tape: 1; Side: B; Approx. Time Counter: 176 - 253}

Frank Odermann, Billings Fire Department, Montana State Fire Chiefs Association, testified to the Committee that the issue is the safety of the public and the safety of fire fighters that would be jeopardized if this bill is enacted. He stated that most deaths and injuries occur in residential fires.

EXHIBIT (buh39a06)

{Tape: 1; Side: B; Approx. Time Counter: 253 - 312}

Pat Clinch, Montana State Council of Professional Fire Fighters, stated that this bill would eliminate code enforcement for areas outside of the city limits.

{Tape: 1; Side: B; Approx. Time Counter: 312 - 328}

Alec Hansen, Montana League of Cities and Towns, testified to the Committee that contrary to what has been testified to, his organization did not file the suit that the proponents have accused them of doing. The reason why the cities filed suit was because of their concern for public safety and consumer protection. **Mr. Hansen** proposed a solution to the situation by saying that the cities allow the counties to have partial jurisdiction.

{Tape: 1; Side: B; Approx. Time Counter: 328 - 445}

Carl Schweitzer, Association of Plumbing and Heating Contractors, spoke to the Committee about the health and safety issues that would be affected by this bill.

{Tape: 1; Side: B; Approx. Time Counter: 445 - 495}

Neil Poulsen, City of Bozeman Building Department, stated to the Committee that the only problem with this bill is the portion that takes away the counties' ability to have jurisdiction in the portion of their area.

EXHIBIT (buh39a07)

{Tape: 1; Side: B; Approx. Time Counter: 495 - 500}

{Tape: 2; Side: A; Approx. Time Counter: 0 - 11}

Craig Kerzman, City of Kalispell Building Department, spoke to the Committee, that Kalispell has an extra-territorial area and since its inception, there has been code enforcement in these areas.

EXHIBIT (buh39a08)

EXHIBIT (buh39a09)

{Tape: 2; Side: A; Approx. Time Counter: 11 - 19}

Informational Testimony:

Jim Brown, State of Montana, Department of Labor and Industry, stated to the Committee that his department will answer any questions that the Committee may have.

{Tape: 2; Side: A; Approx. Time Counter: 19 - 28}

Questions from Committee Members and Responses:

REPS. WEISS, GALLIK, MATTHEWS, BERGREN, MAEDJE, asked numerous questions of Bill Jellingson, State of Montana Department of Labor and Industry, Mr. Simon, Mr. Brown, Mr. Clinch and Mr. Bender. Among the questions asked were: what is the inspection protocol, permitting process, due process, fire fighting hazards and procedures, risks for firefighters and the process for handling violations.

{Tape: 2; Side: A; Approx. Time Counter: 28 - 283}

Closing by Sponsor:

REP. HAINES stated to the Committee that there were many mis-statements heard in the hearing of this bill and that HB 640 will "Give a people a say in enforcement."

{Tape: 2; Side: A; Approx. Time Counter: 283 - 339}

HEARING ON HB 631

Sponsor: REP. BOB LAKE, HD 60, Hamilton, Montana

Opening Statement by Sponsor:

REP. LAKE opened the hearing on HB 631 by stating to the Committee that this bill will clear up an inconsistency between the Department of Revenue, administrative rules and the Montana Statutes as they pertain to procedures required to establish default on the secured liquor license. The experts will further explain the bill to them.

{Tape: 2; Side: A; Approx. Time Counter: 339 - 355}

Proponents' Testimony:

George Bennett, Montana Bankers Association, stated to the Committee that this is a very simple bill that will correct what was enacted in 1999. The Department of Revenue had recognized as a default a foreclosure under the Uniform Commercial Code (UCC). In the event of a default, the UCC has various protections for the tavern owner.

EXHIBIT (buh39a10)

{Tape: 2; Side: A; Approx. Time Counter: 355 - 380}

Neil Peterson, State of Montana, Department of Revenue, informed the Committee that this bill will insert the necessary provisions required to resolve what was enacted in 1999.

{Tape: 2; Side: A; Approx. Time Counter: 380 - 386}

Keith Colbo, Montana Independent Bankers, spoke in support of this bill.

{Tape: 2; Side: A; Approx. Time Counter: 386 - 387}

Emil Erhardt, Citizens' State Bank, informed the Committee that this issue was brought to the attention of the Montana Banker's Association due to a sale of a casino in that area.

EXHIBIT (buh39a11)

{Tape: 2; Side: A; Approx. Time Counter: 387 - 415}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

CHAIRMAN MCKENNEY inquired of Mr. Peterson to supply the committee of an example that would be relevant to this issue.

{Tape: 2; Side: A; Approx. Time Counter: 415 - 460}

Closing by Sponsor:

REP. LAKE closed the hearing on HB 631.

{Tape: 2; Side: A; Approx. Time Counter: 460 - 500}

HEARING ON HB 648

Sponsor: **REP. CINDY YOUNKIN, HD 28, Bozeman, Montana**

Opening Statement by Sponsor:

REP. YOUNKIN opened the hearing on HB 648 by explaining that this is a bill that would allow the sellers of genetic material for artificial insemination to procure a lien on the breeders for said material in lieu of nonpayment of fees. The bill may require amendments for Page 1, Lines 15-17; Page 1, Line 26-30; and Page 4, new Section 4.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 60}

Proponents' Testimony:

Jane Mersen, Rancher, Attorney, explained to the Committee what a rancher supplies for the artificial insemination of cattle, the fees that are involved, the nonpayment of fees and the remedies to collect those fees that are currently allowed. **Ms. Mersen** also informed the Committee of the time frame needed for a successful insemination and the subsequent timely collection of fees.

{Tape: 2; Side: B; Approx. Time Counter: 60 - 146}

George Bennett, Montana Bankers Association, stated to the Committee that the Agricultural lenders that his association is involved with are willing to work with the rancher in the collection of those delinquent fees.

EXHIBIT (buh39a12)

{Tape: 2; Side: B; Approx. Time Counter: 146 - 179}

Steve Pilcher, Montana Stockgrowers Association, rose in support of HB 648.

{Tape: 2; Side: B; Approx. Time Counter: 179 - 198}

Tim Gill, Montana Livestock Agriculture Credit Union, stated to the Committee that his organization is "guardedly" in support of this bill.

{Tape: 2; Side: B; Approx. Time Counter: 198 - 223}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. MORGAN, WEISS, KEANE, STEINBEISSER, BOOKOUT-REINECKE, AND MAEDJE asked several questions of the sponsor and proponents about the time frame suggested for the filing of liens, collateral value, the "ag" lenders and the future value of the embryos and semen.

{Tape: 2; Side: B; Approx. Time Counter: 223 - 500}

Closing by Sponsor:

REP. YOUNKIN closed the hearing on HB 648 by stating to the Committee that the lien that would be filed is on the genetic material not the cow. The suppliers of this genetic material need to have a "tool" to recover the monies owed them.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 26}

HEARING ON HB 646

Sponsor: REP. EVE FRANKLIN, HD 42, Great Falls, Montana

Opening Statement by Sponsor:

REP. FRANKLIN opened the hearing on HB 646 by stating to the Committee that this is a bill that affects the people who use deferred deposit lenders; i.e., post-dated check lenders. The sponsor listed the changes that this bill would make in the statute.

{Tape: 3; Side: A; Approx. Time Counter: 26 - 150}

Proponents' Testimony:

Matt Leow, Montana Public Interest Research Group, spoke to the Committee about what his organizations terms "usury" loans and the terms of those loans.

{Tape: 3; Side: A; Approx. Time Counter: 150 - 220}

Mary Cafero, WEEL, spoke in support of this bill. The organization that she represents desires that this industry comply with what other lenders must comply with.

{Tape: 3; Side: A; Approx. Time Counter: 220 - 256}

Betty Whitney, Montana Association of Churches, informed the Committee what her organization recommends and asked the question, "What is fair?"

{Tape: 3; Side: A; Approx. Time Counter: 256 - 355}

Opponents' Testimony:

Bernie Harrington, Montana Financial Services Organization, spoke to the Committee about the regulation that this organization is in full support of, explained the charges that lenders of this organization may receive, time periods for repayment, repeat borrowers and the APR that is charged.

EXHIBIT (buh39a13)

{Tape: 3; Side: A; Approx. Time Counter: 355 - 500}

{Tape: 3; Side: B; Approx. Time Counter: 0 - 52}

John Cameron, Title Cash of Montana, explained to the Committee how this type of lender becomes involved.

{Tape: 3; Side: B; Approx. Time Counter: 52 - 121}

J.D. Lynch, Montana Financial Service Centers, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 121 - 143}

Riley Johnson, Community Financial Services Association, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 143 - 149}

Robin Adams, Quick Check, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 149 - 185}

Cyndy Edward, Express Check Cashing, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 185 - 192}

Scott Michels, Red D Cash, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 192 - 205}

Jerry Michels, Red D Cash, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 205 - 210}

SEN. MANGAN, HD 23, Great Falls, Montana spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 210 - 254}

Heather Rohlf, Quick Check, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 254 - 260}

Denise Knutson, Quick Check, spoke in opposition to this bill.

{Tape: 3; Side: B; Approx. Time Counter: 260 - 267}

Informational Testimony:

Chris Olson, State of Montana, Department of Administration, explained to the Committee that this agency licenses these entities. Mr. Olson offered an amendment to this bill and explained the amendment to the Committee.

EXHIBIT (buh39a14)

{Tape: 3; Side: B; Approx. Time Counter: 267 - 341}

Questions from Committee Members and Responses:

REP. GALVIN-HALCRO asked Mr. Harrington a question regarding protection for consumers going from one lender to another, etc.

{Tape: 3; Side: B; Approx. Time Counter: 341 - 376}

Closing by Sponsor:

REP. FRANKLIN closed the hearing on HB 646.

{Tape: 3; Side: B; Approx. Time Counter: 376 - 500}

EXECUTIVE ACTION ON HB 606

Motion: REP. BERGREN moved that HB 606 DO PASS.

Discussion:

REPS. KEANE and GALLIK commented on this bill.

Motion/Vote: REP. LAWSON moved that HB 606 BE TABLED. Motion carried unanimously. (roll call vote)

{Tape: 4; Side: A; Approx. Time Counter: 0 - 42}

EXECUTIVE ACTION ON HB 631

Motion/Vote: REP. MAEDJE moved that HB 631 DO PASS. Motion carried unanimously. (voice vote)

Motion/Vote: REP. MATTHEWS moved HB 631 be moved to the Consent Calendar. Motion carried unanimously. (voice vote)

{Tape: 4; Side: A; Approx. Time Counter: 42 - 56}

EXECUTIVE ACTION ON HB 638

Motion: REP. BITNEY moved that HB 638 DO PASS.

Discussion:

REPS. MAEDJE, MENDENHALL AND GALLIK discussed the bill briefly.

Vote: Motion that HB 638 DO PASS failed 6-12 with REPS. FRITZ, GALLIK, GALVIN-HALCRO, KEANE, WEISS, and WILSON voting aye. (roll call vote)

Vote: Motion that HB 638 BE TABLED AND THE VOTE REVERSED carried 12-6 with REPS. FRITZ, GALLIK, GALVIN-HALCRO, KEANE, WEISS, and WILSON voting no. (voice vote)

{Tape: 4; Side: A; Approx. Time Counter: 56 - 137}

EXECUTIVE ACTION ON HB 634

Motion: REP. GALLIK moved that HB 634 DO PASS.

Discussion:

REP. GALLIK discussed Section 3 of the bill.

Substitute Motion/Vote: REP. BITNEY made a substitute motion that HB 634 BE TABLED. Substitute motion carried 15-3 with REPS. FRITZ, GALLIK, and WEISS voting no. (roll call vote)

{Tape: 4; Side: A; Approx. Time Counter: 137 - 183}

Please Note: This Committee adjourned to attend the Floor Session; but reconvened at 2:07 p.m.

EXECUTIVE ACTION ON HB 640

Motion: REP. BOOKOUT-REINICKE moved that HB 640 DO PASS.

Discussion:

There was much discussion among the Committee members about HB 640. REPS. MORGAN, MATTHEWS, BITNEY, GALLIK, BOOKOUT-REINICKE, KEANE, MAEDJE and ROME questioned and commented on the public safety issue, the "donut" areas in question and affordable housing.

Vote: Motion that HB 640 DO PASS carried 13-5 with REPS. BITNEY, FRITZ, GALLIK, GALVIN-HALCRO, and WILSON voting no. (roll call vote)

{Tape: 4; Side: A; Approx. Time Counter: 183 - 375}

EXECUTIVE ACTION ON HB 648

Motion: REP. BERGREN moved that HB 648 DO PASS.

Motion: REP. KEANE moved that HB 648 BE AMENDED.

Discussion:

REPS. KEANE and LAWSON commented on the language on Page 1, Lines 29-30 and Page 2, Line 27.

Vote: Motion that HB 648 BE AMENDED carried unanimously. (voice vote)

Motion: REP. KEANE moved that HB 648 BE AMENDED.

Discussion:

REPS. KEANE, STEINBEISSER, MORGAN, BOOKOUT-REINICKE, BERGREN, HAWK, GALLIK, MAEDJE and MENDENHALL discussed the amendment that addressed the "80 days" amendment.

Vote: Motion that HB 648 BE AMENDED failed 9-9 with REPS. BOOKOUT-REINICKE, GALLIK, GALVIN-HALCRO, HAWK, LAWSON, MAEDJE, MATTHEWS, ROME, and STEINBEISSER voting aye. (roll call vote)

Motion: REP. KEANE moved that HB 648 BE AMENDED.

Discussion:

The discussion among the Committee members was now about the "120 days" amendment.

Vote: Motion that HB 648 BE AMENDED carried 15-3 with REPS. LAWSON, MAEDJE, and STEINBEISSER voting no. (roll call vote)

Motion/Vote: REP. KEANE moved that HB 648 DO PASS AS AMENDED. Motion carried unanimously. (roll call vote)

{Tape: 4; Side: A; Approx. Time Counter: 375 - 500}

{Tape: 4; Side: B; Approx. Time Counter: 0 - 300}

ADJOURNMENT

Adjournment: 3:10 P.M.

REP. JOE MCKENNEY, Chairman

PAMELA SCHINDLER, Secretary

JM/PS

EXHIBIT (buh39aad)